



The Corporation of the Town of Tecumseh

Financial Services

To: Mayor and Members of Council

From: Tom Kitsos, Director Financial Services & Chief Financial Officer

Date to Council: June 8, 2021

Report Number: FS- 2021-07

Subject: Amendment of Financing Agreement with Ontario Infrastructure and Lands Corporation (OILC)

Recommendations

It is recommended:

That By-law No. 2021-44 **be adopted** to authorize the Director Financial Services and Mayor to execute Amending Agreement No. 2 to Financing Agreement No. 11Tec3704311108FA between Ontario Infrastructure and Lands Corporation and The Corporation of the Town of Tecumseh.

Background

Council passed By-law No. 2011-103 North Talbot Road Outlet Sewer, Charges and Connection By-law, which imposed a charge upon property owners benefitting from the provision of sanitary sewers in the North Talbot Road Sanitary Sewer Outlet Area.

Subsequently, Council approved borrowing up to \$4,000,000 from the Ontario Infrastructure and Lands Corporation (OILC) for the financing of the North Talbot Sanitary Sewer Outlet Area construction costs for the period 2012-2018. (By-law No. 2012-17).

Property owners are to be charged an interest rate of cost of borrowing plus 0.75% for five-year debentures. For those assessed owners where a five-year term would cause undue hardship, the term would be extended to 10 years at an interest rate of cost of borrowing plus 1.25%. (Motion: RCM-99/12)

The original term of the Agreement was May 1, 2012 to May 1, 2017 and was amended in July 2017 to extend the Facility Termination Date to June 30, 2021 by way of Amending Agreement No. 1.

Comments

To date, the Town has borrowed \$1,727,100 in aggregate, on behalf of property owners, to facilitate debenture financing for the various North Talbot Road Sanitary Sewer Connection (NTR) phases completed, with debentures issued as follows:

Year	NTR Phase	Principal Debentured
2012	North Talbot / Halford	\$920,000
2015	Brendan/Binder	\$68,000
2016	Burke/Outer/Moro	\$267,100
2017	Dumouchelle/Outer	\$196,800
2018	Pulleyblank/Crowder/Moro	\$99,200
2018	Rossi	\$176,000
Total	Six Phases Debentured to Date	\$1,727,100

The three remaining phases of the North Talbot Road Sanitary Sewer Outlet Area are:

- County Road 11 (North Talbot Road to Hwy 401),
- County Road 11 (North Talbot Road to the Wolfe Drain), and
- Olympia/Astor/Solar

Construction of the County Road 11 (North Talbot Road to Hwy 401) phase was completed in late 2019. Billing to property owners was to be completed during 2020, however due to the COVID-19 outbreak, was postponed. The billing has since been issued, having a due date of June 20, 2021 for property owners to request debenture financing. We expect requests for debenture financing to be in the \$500,000 to \$700,000 range, well within the available remaining facility.

As the Town's Agreement with OILC will terminate on June 30, 2021, and with two remaining phases of the program yet to commence, OILC recommends extending the Agreement to December 31, 2021 to allow sufficient time to conclude financing for the recently completed County Road 11 (North Talbot Road to Hwy 401) phase only. Alternative arrangements will need to be determined for the future phases of County Road 11 (North Talbot Road to the Wolfe Drain) and Olympia/Astor/Solar.

We anticipate that a separate Financing Agreement to facilitate a similar financing arrangement for the 8th Concession Road Sanitary Sewer Outlet Area, which has commenced

and will take several phases and years to complete, will incorporate a provision for the remaining phases of the North Talbot Road Area.

Consultations

Corporate Services & Clerk
Public Works & Environmental Services
Ontario Infrastructure and Lands Corporation

Financial Implications

There are no financial implications applicable to this report.

Link to Strategic Priorities

Applicable 2019-22 Strategic Priorities

- ☐ Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
- ☒ Ensure that Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making.
- ☐ Integrate the principles of health and wellness into all of Tecumseh's plans and priorities.
- ☐ Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses.
- ☐ Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

Table 1: Link to Strategic Priorities

Communications

Not applicable ☒

Website ☐ Social Media ☐ News Release ☐ Local Newspaper ☐

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Tom Kitsos, CPA, CMA, BComm
Director Financial Services & Chief Financial Officer

Reviewed by:

Phil Bartnik, P.Eng.
Director Public Works & Environmental Services

Reviewed by:

Laura Moy, Dipl. M.M., CMMIII HR Professional
Director Corporate Services & Clerk

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
None	None

Table 2: Appendices